

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3127

ANSWERED ON:18.12.2008

CHARGING OF HIGHER PRICES BY RELIANCE INDUSTRIES FROM NTPC

Acharia Shri Basudeb

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether higher prices are being charged by the Reliance Industries Limited (RIL) from National Thermal Power Corporation (NTPC) for the gas explored from the blocks awarded to RIL by the Union Government;
- (b) if so, the reaction of the Government thereto;
- (c) whether attention of the Government has been drawn towards controlling price of gas and oil explored from indigenous blocks to pass its benefits to power consumers as well as farmers;
- (d) if so, the details thereof;
- (e) whether the Government has framed any specific guidelines for fixing of price of indigenously explored oil and gas from Union Government allotted blocks; and
- (f) if so, the details thereof and reaction of the Government thereto?

Answer

MINISTER OF STATE IN THE Ministry of Petroleum & Natural Gas (SHRI DINSHA PATEL)

- (a) and (b) At present no gas is being sold to National Thermal Power Corporation (NTPC) by Reliance Industries Limited (RIL).
- (c) and (d) Government has formulated New Exploration License Policy (NELP), which promotes investment in Exploration, so that adequate oil and gas are available at marketing determined prices. The natural gas being produce by Oil and Natural Gas Corporation (ONGC) and Oil India Ltd., (OIL) from nomination blocks is sold to power & Fertilizer sector at Administered Price Mechanism (APM) prices.
- (e) and (f) Gas under NEPL is required to be sold at prices determined at arms length. The price of crude oil is to be determined on basis of the international prices of reference crude oils of similar characteristics & quality to the Crude Oil in respect of which the price is being determined. The gas price/formula submitted by contractors is required to be approved by Government. In case of crude oil, the calculation, basis of calculation and the price determined by the contractor is also subject to agreement by the Government.